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PART II—Section 2

Bills and Reports of Select Committees on Bills

HOUSE OF THE PEOPLE

The following Report of the Select Committee on the Bill further to amend the Constitution of India, was presented to the House of the People on 18th November, 1952:—

MEMBERS OF SELECT COMMITTEE

Shri M. Ananthasayanam Ayyangar (*Chairman*).
Shri Bhawanji A. Khimji.
Shri Syamnandan Sahaya.
Shri Gajendra Prasad Sinha.
Shri K. L. More.
Pandit Lingaraj Misra.
Shri Rohini Kumar Chaudhuri.
Pandit Lakshmi Kanta Maitra.
Shri Mohanlal Saksena.
Shri N. M. Lingam.
Shri Udai Shankar Dube.
Choudhary Raghubir Singh.
Shri Nemi Chandra Kasliwal.
Shri Ranbir Singh Chaudhuri.
Shri Govind Hari Deshpande.
Sardar Amar Singh Saigal.
Shri Kotha Raghuramaiah.
Shri Krishnacharya Joshi.
Shri Liladhar Joshi.
Shri A. M. Thomas.
Shri C. R. Basappa.
Shri C. Madhavo Reddi.

Shri Choithram Partabrai Gidwani.
 Shrimati Renu Chakravartty.
 Shri P. T. Punnoose.
 Shri Girraj Saran Singh.
 Dr. Manik Chand Jatav-vir.
 H. H. Maharaja Rajendra Narayan Singh Deo.
 Shri N. R. M. Swamy.
 Shri Radha Charan Sharma.
 Shri Ranjit Singh.
 Shri P. N. Rajabhoj.
 Shri Awadheshwar Prasad Sinha.
 Shri Shankar Shantaram More.
 Shri B. S. Murthy.
 Shri N. C. Chatterjee.
 Dr. Syama Prasad Mookerjee.
 Shri C. C. Biswas.

REPORT OF THE SELECT COMMITTEE

The Select Committee to which the Bill further to amend the Constitution of India was referred have considered the Bill, and I now submit this their Report with the Bill as amended by the Committee annexed hereto.

2. The Committee have explored the possibility of readjusting the representation of the territorial constituencies within the present limits laid down in sub-clause (b) of clause (1) of article 81 of the Constitution so that any amendment of the Constitution could be avoided. Although theoretically it may be possible to readjust the representation of the constituencies within these limits, the Committee consider that practical administrative difficulties will stand in the way of such readjustment. The Committee further feel that although the amendment proposed in the Bill will be sufficient to solve the immediate difficulty, it is desirable to avoid the necessity of amending this article periodically after every census. The Committee have accordingly decided that the upper limit of representation laid down in sub-clause (b) should be removed altogether thereby bringing article 81(1) (b) into line with article 170(2) relating to representation in the State Assemblies. At the same time the Committee wish to record that the upper limit of one member for every 750,000 of population should not, as far as practicable, be exceeded.

The Committee have accordingly substituted a new clause for clause 2 of the Bill.

3. The Bill was published in Part II, section 2 of the Gazette of India, dated the 21st June, 1952.

4. The Committee think that the Bill has not been so altered as to require re circulation under Rule 94(4) of the Rules of Procedure and Conduct of Business in the House of the People and they recommend that it be passed as now amended.

M. ANANTHASAYANAM AYYANGAR,

Chairman of the Select Committee.

NEW DELHI;

The 18th November, 1952.

MINUTE OF DISSENT

The discussion in the Select Committee revealed that the constituencies may still be delimited for the next election keeping to the maximum limit set by the Constitution. Since I am firmly of the opinion that there must be no further extension of the number of voters to a constituency which already is unwieldy, I give my minutes of dissent to the amendment proposed. The amendment of not specifying the upper limit of the number of voters to a constituency gives the blank-cheque to government to increase the constituencies and as such I am opposed to it. Parliamentary democracy can only be a "democracy" when the members of Parliament can keep living links with the people they represent—going amongst them constantly, ascertaining their demands and desires, and reporting back to them what has been done in Parliament. The Present 7½ lakh limit itself is difficult enough to cover. Any further extension will further make this intimate connection between the people and its representatives impossible.

Further, I am of the opinion, since there is no pressing need for this amendment we should have left this to the future Parliaments to do, as and when need arose. As I do not subscribe to the opinion that any extension of the 500 limit to the House of the People will impair its efficiency, I assert we have no right to legislate ahead for those who will come 10 years hence or to presuppose their needs and conditions. I therefore strongly disagree with this amendment.

RENU CHAKRAVARTY.

NEW DELHI;

The 18th November, 1952.

(AS AMENDED BY THE SELECT COMMITTEE)

(Words underlined indicate the amendments suggested by the Committee)

BILL No. 54 OF 1952

A bill further to amend the Constitution of India

BE it enacted by Parliament as follows:—

1. **Short title.**—This Act may be called the Constitution (Second Amendment) Act, 1952.

2. Amendment of article 81.—In sub-clause (b) of clause (1) of article 81 of the Constitution the words and figures “not less than one member for every 750,000 of the population and” shall be omitted.

The following Bill was introduced in the House of the People on 20th November, 1952:—

BILL No. 117 OF 1952

A Bill to enable effect to be given to an International Convention for the Safety of Life at Sea, signed in London on the tenth day of June, nineteen hundred and forty-eight, to amend the provisions of the Indian Merchant Shipping Act, 1923 relating to life-saving appliances, wireless and radio navigational aids and to other matters affected by the said Convention.

BE it enacted by Parliament as follows:—

1. Short title and commencement.—(1) This Act may be called the Indian Merchant Shipping (Amendment) Act, 1952.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Substitution of certain expressions for certain other expressions in Act XXI of 1923.—In the Indian Merchant Shipping Act, 1923 (hereinafter referred to as the principal Act), except as otherwise provided in this Act,—

(a) in Part V and in clause (f) of section 280, for the words ‘wireless telegraphy inspectors’ and ‘wireless telegraphy inspector’ wherever they occur, the words ‘radio inspectors’ and ‘radio inspector’ shall, respectively, be substituted;

(b) In Part V,—

(i) for the words and figures ‘International Convention respecting Load Lines, 1930’ wherever they occur, the words ‘Load Line Convention’ shall be substituted;

(ii) for the words and figures ‘International Convention for the Safety of Life at Sea, 1929’ or ‘International Convention for the Safety of Life at Sea signed in London on the 81st day of May, 1929’ wherever they occur, the words ‘Safety Convention’ shall be substituted;

(iii) for the word ‘wireless’ wherever it occurs, the word ‘radio’ shall be substituted;

(iv) after the words ‘telegraph’ and ‘telegraphy’ wherever they occur, the words ‘or radio-telephone’ and ‘or radio-telephony’ shall, respectively, be inserted.

3 Amendment of section 2, Act XXI of 1923.—In section 2 of the principal Act, for clause (6), the following clause shall be substituted, namely:—

“(6) ‘passenger’ means any person carried in a ship, except—

(a) a person employed or engaged in any capacity on board the ship on the business of the ship;

(b) a person on board the ship either in pursuance of the obligation laid upon the master to carry ship-wrecked, distressed or other persons, or by reason of any circumstances which neither the master nor the charterer, if any, could have prevented or forestalled; and

(c) a child under one year of age."

4. Omission of section 143A, Act XXI of 1923.—Section 143A of the principal Act shall be omitted.

5. Amendment of section 145A, Act XXI of 1923.—In section 145A of the principal Act, in sub-section (2), for clauses (a) to (h), the following clauses shall be substituted, namely:—

"(a) the closing and keeping closed the openings in steamers' hulls and in water-tight bulk-heads;

(b) the securing of, and keeping in place and inspecting contrivances for closing any such openings as aforesaid;

(c) the operation of mechanisms of contrivances for closing any such openings as aforesaid and the drills in connection with the operation thereof; and

(d) the entries to be made in the Official Log Book or other record to be kept of any of the matters aforesaid."

6. Substitution of new section for section 213A in Act XXI of 1923.—For section 213A of the principal Act, the following section shall be substituted, namely:—

"213A. *Definitions.*—In this Part, unless the context otherwise requires,—

(a) 'country to which the Load Line Convention applies' means—

(i) a country the Government of which has been declared or is deemed to have been declared under section 213B to have accepted the Load Line Convention and has not been so declared to have denounced that Convention;

(ii) a country to which it has been so declared that the Load Line Convention has been applied under the provisions of article twenty-one thereof, not being a country to which it has been so declared that that Convention has ceased to apply under the provisions of that article;

(b) 'country to which the Safety Convention applies' means—

(i) a country the Government of which has been declared under section 213B to have accepted the Safety Convention and has not been so declared to have denounced that Convention;

(ii) a territory to which it has been so declared that the Safety Convention extends, not being a territory to which it has been so declared that that Convention has ceased to extend;

(c) 'Load Line Convention' means the Convention signed in London on the fifth day of July, nineteen hundred and thirty, for promoting safety of life and property at sea, as amended from time to time;

(d) 'Safety Convention' means the Convention for the Safety of Life at Sea, signed in London on the tenth day of June, nineteen hundred and forty eight, as amended from time to time."

7. Insertion of new section 213B in Act XXI of 1923.—After section 213A of the principal Act, the following section shall be inserted, namely:—

"213B. Countries to which Load Line Convention or Safety Convention applies.—(1) The Central Government, if satisfied,—

(a) that the Government of any country has accepted or denounced the Load Line Convention or, as the case may be, the Safety Convention; or

(b) that the Load Line Convention or, as the case may be, the Safety Convention extends, or has ceased to extend to any territory;

may, by notification in the Official Gazette, make a declaration to that effect.

(2) Any declaration made by or on behalf of the Central Government before the commencement of the Indian Merchant Shipping (Amendment) Act, 1952, in any form whatsoever, that the Government of any country has accepted or denounced the Load Line Convention or that the said Convention extends or has ceased to extend to any territory shall be deemed to have been made under sub-section (1)

8. Amendment of sections 214 and 216, Act XXI of 1923.—In sub-section (1) of section 214 and in section 216 of the principal Act, after the word 'lights' the words 'and shapes' shall be inserted.

9. Amendment of section 216A, Act XXI of 1923—In section 216A of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) Without prejudice to the generality of the foregoing provision, such rules may provide for all or any of the following matters, namely:—

(a) the arranging of ships into classes, having regard to the services in which they are employed, to the nature and duration of the voyage and to the number of persons carried;

(b) the number, description and mode of construction of the boats, life rafts, line throwing appliances, life-jackets and life-buoys to be carried by ships according to the classes in which the ships are arranged;

(c) the equipment to be carried by any such boats and rafts and the method to be provided to get the boats and other life-saving appliances into the water, including oil for use in stormy weather;

(d) the provision in ships of a proper supply of lights inextinguishable in water and fitted for attachment to life-buoys;

(e) the quantity, quality and description of buoyant apparatus to be carried on board ships either in addition to or in substitution for bouts, life rafts, life-jackets and life-buoys;

(f) the position and means of securing the boats, life rafts, life-jackets, lifebuoys and buoyant apparatus,

(g) the marking of boats, life rafts, and buoyant apparatus so as to show their dimensions and the number of persons authorised to be carried on them;

(h) the manning of lifeboats and the qualifications and certificates of life-boatmen;

(i) the provision to be made for mustering the persons on board and for embarking them in the boats (including provision for the lighting of, and the means of ingress and egress from, different parts of the ship);

(j) the provision of suitable means situated outside the engine-room whereby any discharge of water into the boats can be prevented;

(k) the assignment of specific duties to each member of the crew in case of emergency;

(l) the methods to be adopted and the appliances to be carried in ships for the prevention, detection and extinction of fire;

(m) the practice in ships of boat-drills and fire-drills;

(n) the provision in ships of means of making effective distress signals by day and by night;

(o) the provision in ships, engaged on voyages in which pilots are likely to be embarked of suitable pilot ladders, and of ropes, lights and other appliances designed to make the use of such ladders safe; and

(p) the periodical examination of any appliances or equipment required by any rules made under this Act to be carried by ships."

10. Substitution of new sections for sections 225 and 226 in Act XXI of 1923.—For sections 225 and 226 and the heading thereto, the following shall be substituted, namely:—

"Dangerous Goods and Grain-Cargoes.

225. *Carriage of dangerous goods.*—(1) The Central Government may make rules for regulating in the interests of safety the carriage of dangerous goods in ships to which this section applies.

(2) This section applies to—

(a) Indian ships;

(b) other ships while they are within any port in India or are embarking or disembarking passengers within the territorial

waters of India, or are loading or discharging cargo or fuel within those waters.

(3) If any of the rules made in pursuance of this section is not complied with in relation to any ship, the owner or master of the ship shall be liable to a fine which may extend to three thousand rupees and the ship shall be deemed for the purpose of this Part to be an unsafe ship.

226. *Carriage of grain.*—(1) Where grain is loaded on board any Indian ship or is loaded within any port in India on board any ship, all necessary and reasonable precautions shall be taken to prevent the grain from shifting; and if such precautions as aforesaid are not taken, the owner or the master of the ship or any agent of the owner who was charged with the loading or with sending the ship to sea laden with grain shall be guilty of an offence under this sub-section and the ship shall be deemed for the purposes of this Part to be unsafe by reason of improper loading.

(2) Where any ship which is loaded with grain outside India without all necessary and reasonable precautions having been taken to prevent the grain from shifting, enters any port in India so laden, the owner or master of the ship shall be guilty of an offence under this sub-section and the ship shall be deemed for the purposes of this Part to be unsafe by reason of improper loading:

Provided that this sub-section shall not have effect if the ship would not have entered any such port but for stress of weather or any other circumstance that neither the master nor the owner nor the charterer, if any, could have prevented or forestalled.

(3) If any person commits an offence under sub-section (1) or sub-section (2), he shall be liable to a fine which may extend to three thousand rupees.

(4) On the arrival at a port in India from a port outside India of any ship carrying a cargo of grain, the master shall cause to be delivered at the port to such customs or other officer as may be specified by the Central Government in this behalf, a notice stating—

(a) the draught of water and free-board of the said ship after the loading of the cargo was completed at the final port of loading; and

(b) the following particulars of the grain carried, namely:—

(i) the kind of grain and quantity thereof stated in cubic feet, quarters, bushels or tons weight;

(ii) the mode in which the grain is stowed; and

(iii) the precautions taken to prevent the grain from shifting;

and if the master fails to deliver any notice required by this sub-section or if in any such notice he makes any statement that he knows to be false in a material particular or recklessly makes a statement that is false in a material particular, he shall be liable to a fine which may extend to one thousand rupees.

(5) Any person authorised in this behalf by general or special order of the Central Government, may, for securing the observance of the provisions of this section, inspect a ship carrying a cargo of grain and the mode in which such cargo is stowed therein.

(6) The Central Government may, subject to the condition of previous publication, make rules in relation to the loading of ships generally or of ships of any class specifying the precautions to be taken and when such precautions have been prescribed, they shall be treated for the purposes of this section to be included in the expression "necessary and reasonable precautions".

(7) In this section, the expression 'grain' includes wheat, maize, oats, rye, barley, rice, pulses and seeds, and the expression 'ship carrying a cargo of grain' means a ship carrying a quantity of grain exceeding one-third of the ship's registered tonnage reckoning one hundred cubic feet or two tons of weight of grain as equivalent to one ton of registered tonnage."

11. Amendment of section 227, Act XXI of 1923.—In sub-section (1) of section 227 of the principal Act, after the word 'submerge' the words 'in salt water' shall be inserted.

12. Omission of section 240, Act XXI of 1923.—Section 240 of the principal Act shall be omitted and for the heading above that section, the following heading shall be substituted, namely:—

"Installation of Radio-telegraphy, Radio-telephony and Direction Finders."

13. Amendment of section 242, Act XXI of 1923.—For sub-section (1) of section 242 of the principal Act, the following sub-section shall be substituted, namely:—

"(1) Every sea-going Indian ship, being a passenger steamer, and every other sea-going Indian ship of five hundred tons gross tonnage or upwards, shall, in accordance with the rules made under section 245, be provided with a radio installation and shall maintain a radio telegraph service or a radio telephone service of the prescribed nature and shall be provided with such certificated operators and watchers as may be prescribed:

Provided that the Central Government may, by notification in the Official Gazette, exempt from the obligation imposed by this section any ship or class of ships if it is of the opinion that having regard to the nature of the voyage on which the ship or ships are engaged or other circumstances of the case, the provision of a radio installation is unnecessary or unreasonable.

(1A) The radio installation required under the said rules to be provided for a passenger steamer or for any other ship of sixteen hundred tons gross tonnage or upwards shall be a radio telegraph installation; and that required to be provided for a ship of less than sixteen hundred tons gross tonnage, other than a passenger steamer shall be either a radio telegraph installation or a radio telephone installation at the option of the owner."

14. Amendment of section 242A, Act XXI of 1923.—For sub-section (1) of section 242A of the principal Act, the following sub-section shall be substituted, namely:—

“(1) On and after such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf every Indian ship of sixteen hundred tons gross tonnage or upwards shall be provided with a radio direction finder of the prescribed description.”

15. Amendment of section 242B, Act XXI of 1923.—In section 242B, for the words ‘wireless telegraph log’ wherever they occur, the words ‘radio log’ shall be substituted.

16. Substitution of new section for section 244 in Act XXI of 1923.—For section 244 of the principal Act, the following section shall be substituted, namely:—

“244. *Application of this Part to ships other than Indian ships.*—The provisions of this Part relating to radio-telegraphy, radio-telephony and direction finders shall apply to ships other than Indian ships while they are within any port in India in like manner as they apply to Indian ships.”

17. Insertion of new section 245AA in Act XXI of 1923.—After section 245A of the principal Act, the following shall be inserted, namely:—

“Stability Information

245AA. *Information about ship's stability.*—(1) There shall be carried on board every Indian ship whose keel is laid after the commencement of the Indian Merchant Shipping (Amendment) Act, 1952, such information in writing about the ship's stability as is necessary for the guidance of the master in loading and ballasting the ship.

(2) The said information shall be in such form as may be approved by the Central Government (which may approve the provision of the information in the form of a diagram or drawing only) and shall be based on the determination of the ship's stability by means of an inclining test of the ship:

Provided that the Central Government may allow the information to be based on a similar determination of the stability of a sister ship.

(3) When any information under this section is provided for any ship, the owner shall send a copy thereof to the Director-General of Shipping.

(4) If any such ship proceeds or attempts to proceed to sea without such information as aforesaid on board, the owner or master of the ship shall be liable to a fine which may extend to one thousand rupees.

(5) It is hereby declared that for the purpose of section 118 (which requires documents relating to navigation to be delivered by the master of a ship to his successor) information under this section shall be deemed to be a document relating to the navigation of the ship.”

18. Omission of section 245B, Act XXI of 1923—Section 245B of the principal Act shall be omitted and for the heading above that section, the following heading shall be substituted, namely;—

“Safety Certificates, Safety Equipment Certificates, Safety Radio-telegraphy Certificates, Safety Radio-telephony Certificates and Exemption Certificates.”

19. Insertion of new section 245CC in Act XXI of 1923.—After section 245C of the principal Act, the following section shall be inserted, namely:—

“245CC. Safety Equipment Certificates for ships not being passenger ships.—If the Central Government is satisfied in respect of any Indian ship, not being a passenger ship, that it complies with the rules for life-saving and fire extinguishing appliances applicable to the ship and that she is properly provided with the lights, shapes and means of making fog signals required by the collision regulations issued under the Merchant Shipping Acts or any other similar law for the time being in force, the Central Government shall, on the application of the owner, issue in respect of the ship a certificate showing that the ship complies with such of the requirements of the Safety Convention relating to those matters as are applicable as aforesaid; and any certificate issued under this section is hereafter in this part of this Act referred to as a Safety Equipment Certificate.”

20. Amendment of section 245D, Act XXI of 1923.—In section 245D of the principal Act—

(a) in sub-section (1), after the words “Safety Radio-telegraphy Certificate” the words “or as the case may be, a Safety Radio-telephony Certificate” shall be inserted;

(b) in sub-section (2), after the words “Safety Radio-telegraphy Certificate” the words “and the Safety Radio-telephony Certificate” shall be inserted.

21. Amendment of section 245F, Act XXI of 1923.—For sub-sections (1) and (2) of section 245F of the principal Act, the following sub-sections shall be substituted, namely:—

“(1) A Safety Certificate, Qualified Safety Certificate, Safety Radio-telegraphy Certificate, Safety Radio-telephony Certificate or an Exemption Certificate issued under section 245C, section 245D or section 245E, as the case may be, shall be in force for one year, and a Safety Equipment Certificate issued under section 245CC shall be in force for twenty-four months, from the date of its issue, or for such shorter period as may be specified in the Certificate:

Provided that no such certificate shall remain in force after notice is given by the authority issuing the Certificate to the owner or master of the ship in respect of which it has been issued that that authority has cancelled the certificate.

(2) The Central Government or any person authorised by it in this behalf may grant an extension of any certificate issued under this Part in respect of an Indian ship for a period not exceeding one month from the date when the certificate would but for the extension, have

expired, or, if the ship is absent from India on that date, for a period not exceeding five months from that date."

22. Amendment of section 245G, Act XXI of 1923.—In section 245G of the principal Act, in sub-section (1), for the words "or Safety Radio-telegraphy Certificate" the words "Safety Equipment Certificate, Safety Radio-telegraphy Certificate or Safety Radio-telephony Certificate" shall be substituted.

23. Amendment of section 245H, Act XXI of 1923.—In section 245H of the principal Act, in sub-section (2)—

(i) for the figures '1600' the figures '500' shall be substituted;

(ii) for clause (b), the following clause shall be substituted, namely:—

"(b) a Safety Equipment Certificate issued under section 245CC and a Safety Radio-telegraphy Certificate or, as the case may be, a Safety Radio-telephony Certificate issued under section 245D, .

24. Amendment of section 245-I, Act XXI of 1923.—In section 245-I of the principal Act—

(a) in sub-section (2), for the figures '1600' the figures '500' shall be substituted; and

(b) in sub-section (3), for the words, 'passenger steamer' or 'steamer' wherever they occur, the word 'steamship' shall be substituted.

25. Amendment of section 245J, Act XXI of 1923.—In section 245J of the principal Act—

(a) in sub-section (1) for the words "Safety Radio-telegraphy Certificates" the words "Safety Equipment Certificates, Safety Radio-telegraphy Certificates, Safety Radio-telephony Certificates" shall be substituted;

(b) in sub-section (2), after the figures and letter '245C' the word, figures and letters "section 245CC" shall be inserted;

(c) in sub-section (3)—

(i) after the figures and letter "245C" the figures and letters "245CC" shall be inserted; and

(ii) for the words "or a Safety Radio-telegraphy Certificate" the words "a Safety Equipment Certificate, a Safety Radio-telegraphy Certificate, or a Safety Radio-telephony Certificate" shall be substituted.

26. Amendment of section 245K, Act XXI of 1923.—In section 245K of the principal Act, after the figures and letter "245C" the figures and letters "245CC" shall be inserted.

27. Amendment of section 245L, Act XXI of 1923.—In section 245L of the principal Act, for the words "or a Safety Radio-telegraphy Certificate" the words "a Safety Equipment Certificate, a Safety Radio-telegraphy Certificate, or a Safety Radio-telephony Certificate" shall be substituted.

28 Insertion of new section 245MM in Act XXI of 1923.—In Part V of the principal Act, after section 245M, the following section shall be inserted, namely:—

"245MM. Exemption of certain ships from certain provisions of this Act.—(1) Nothing in this Act,—

(a) prohibiting a ship from proceeding to sea unless there are in force in relation to the ship, or are produced, the appropriate certificates issued under this Part or the appropriate accepted Safety Convention Certificates;

(b) requiring information about a ship's stability to be carried on board;

(c) imposing a penalty for the contravention of any rules relating to openings in ship's hulls and watertight bulkheads;

shall, unless in the case of information about a ship's stability, the Central Government otherwise orders, apply to any troopship, pleasure yacht or fishing vessel, or to any ship of less than five hundred tons gross tonnage other than a passenger steamer or to any ship not propelled by mechanical means.

(2) Nothing in the preceding sub-section shall affect the exemption conferred by section 4 of this Act.

(3) Notwithstanding that any provision of this Act is expressed to apply to ships not registered in India while they are within any port in India, that provision shall not apply to a ship that would not be within any such port but for stress of weather or any other circumstance that neither the master nor the owner nor the charterer, if any, of the ship could have prevented or forestalled."

29. Substitution of new section for section 245P in Act XXI of 1923.—For section 245P of the principal Act, the following section shall be substituted, namely:—

"245P. Obligation to render assistance on receiving signal of distress.—(1) The master of an Indian ship on receiving at sea a signal of distress or information from any source that a vessel or aircraft is in distress shall proceed with all speed to the assistance of the persons in distress (informing them if possible that he is doing so) unless he is unable or in the special circumstances of the case considers it unreasonable or unnecessary to do so or unless he is released from such obligation under the provisions of sub-section (3) or sub-section (4) of this section.

(2) Where the master of any ship in distress has requisitioned any Indian ship that has answered his call, it shall be the duty of the master of the requisitioned ship to comply with the requisition by continuing to proceed with all speed to the assistance of the persons in distress.

(3) The master shall be released from the obligation imposed by sub-section (1) of this section as soon as he is informed of the requisition of one or more ships other than his own and that the requisition is being complied with by the ship or ships requisitioned.

(4) The master shall be released from the obligation imposed by sub-section (1) and if his ship has been requisitioned, from the obligation imposed by sub-section (2), if he is informed by the persons in distress or by the master of any ship that has reached the persons in distress that assistance is no longer required.

(5) If the master of an Indian ship on receiving at sea a signal of distress or information from any source that a vessel or aircraft is in distress is unable or in the special circumstances of the case considers it unreasonable or unnecessary to go to the assistance of the persons in distress, he shall forthwith cause a statement to be entered in the official log book or, if there is no official log book, cause other record to be kept of his reasons for not going to the assistance of those persons and if he fails to do so, he shall be liable to a fine which may extend to one thousand rupees.

(6) The master of every Indian ship for which an official log is required shall enter or cause to be entered in the official log book every signal of distress or message that a vessel, aircraft or person is in distress at sea.

(7) Any master failing to comply with the provisions of sub-section (1) or sub-section (2) shall be liable to imprisonment for a term which may extend to six months, or to a fine which may extend to one thousand rupees, or to both."

30. Amendment of section 289C, Act XXI of 1923.—In section 289C of the principal Act, after the word 'unnecessary' the words 'or ought to be dispensed with' shall be inserted.

31. Transitional provisions.—Without prejudice to the provisions of section 24 of the General Clauses Act, 1897 (X of 1897)—

(a) any rules made under any provision of Part V of the principal Act shall, until revoked, have effect as if they had been made under the corresponding provisions of that Part as amended by this Act;

(b) any certificate in force in respect of any ship at the commencement of this Act shall continue in force until the date shown on the certificate subject, however, to the cancellation of the certificate under the principal Act and section 245H of the principal Act shall have effect, accordingly;

(c) nothing in section 245H of the principal Act shall prohibit a ship from proceeding to sea without a Safety Equipment Certificate until after expiration of twenty-four months from the date of the commencement of this Act, nor a ship of less than sixteen hundred tons gross tonnage from proceeding to sea without a Safety Radio-telegraphy Certificate or a Safety Radio-telephony Certificate or an Exemption Certificate, until after the expiration of one year from that date;

(d) sub-section (2) of section 245F of the principal Act as amended by this Act shall apply to any such certificate as is mentioned in clause (b) issued before the commencement of this Act as it applies to any such certificate issued after the commencement of this Act.

STATEMENT OF OBJECTS AND REASONS

An International Convention for the Safety of Life at Sea was signed in London in 1929 for promoting safety of life at sea. Several maritime countries, including India, were a party to that Convention. One of the requirements of the Convention was that Contracting Governments should promulgate all regulations and take all other steps which might be necessary to give the Convention full and complete effect. The Indian Merchant Shipping (Second Amendment) Act, 1933 (XXV of 1933) amending the Indian Merchant Shipping Act, 1923, was accordingly enacted to give effect to the provisions of the Convention.

In the light of the experience gained in the working of the Convention during World War II, a Conference was held in London in 1948 for the purpose of drawing up another International Convention (hereinafter called the Safety Convention, 1948) to replace the Safety Convention of 1929. The Safety Convention, 1948, also contains a provision for the enactment and promulgation by Contracting Governments of laws and regulations to give effect to its provisions. Most of the maritime countries have already accepted this Convention which will come into force on the 19th November, 1952. It has been decided that in the interests of Indian Shipping, India should also fall in line with the other countries and ratify the Safety Convention, 1948. The object of this Bill is to take power to bring the requirements of the 1948 Convention into force in relation to Indian ships and foreign shipping in India.

O. V. ALAGESAN.

NEW DELHI;

The 3rd November, 1952.

The following Bill was introduced in the House of the People on 21st November, 1952:—

BILL No. 119 OF 1952

A Bill further to amend the Reserve Bank of India Act, 1934 and to make special provisions in respect of certain high denomination bank notes.

BE it enacted by Parliament as follows :—

1. Short title.—This Act may be called the Reserve Bank of India (Amendment and Miscellaneous Provisions) Act, 1952.

2. Amendment of section 8, Act III of 1934.—For the proviso to sub-section (3) of section 8 of the Reserve Bank of India Act, 1934 (hereinafter referred to as the principal Act), the following proviso shall be substituted, namely :—

“Provided that when the Governor is, for any reason, unable to attend any such meeting, a Deputy Governor authorised by him in this behalf in writing may vote for him at that meeting.”.

3. Amendment of section 17, Act II of 1934.—In section 17 of the principal Act,—

(a) to sub-clause (b) of clause (2), the following *Explanation* shall be added, namely :—

“Explanation.—For the purposes of this sub-clause,—

(i) the expression “agricultural operations” includes animal husbandry and allied activities jointly undertaken with agricultural operations ;

(ii) “crops” include products of agricultural operations ;

(iii) the expression “marketing of crops” includes the processing of crops prior to marketing by agricultural producers or any organization of such producers.”;

(b) after sub-clause (b) of clause (2), the following sub-clause shall be inserted, namely :—

“(bb) the purchase, sale and rediscount of bills of exchange and promissory notes drawn and payable in India and bearing two or more good signatures, one of which shall be that of a State Co-operative Bank or a State Financial Corporation, and drawn or issued for the purpose of financing the production or marketing activities of cottage and small scale industries approved by the Bank and maturing within twelve months from the date of such purchase or rediscount, exclusive of days of grace, provided that the payment of the principal and interest of such bills of exchange or promissory notes is fully guaranteed by the State Government.”;

(c) after clause (4), the following clauses shall be inserted, namely :—

“(4A) the making to State Co-operative Banks of loans and advances, repayable on the expiry of fixed periods not being less than fifteen months and not exceeding five years against such securities as may be specified in this behalf by the Central Board :

Provided that—

(a) such loans and advances are fully guaranteed as to the principal and interest by the State Government ; and

(b) the amount of loans and advances granted to any State Co-operative Bank shall not exceed the owned funds of such a bank :

Provided further that the amount of loans and advances granted by the Bank under this clause shall not at any time exceed five crores of rupees in the aggregate.

(4B) the making to the Industrial Finance Corporation of India established under the Industrial Finance Corporation Act, 1948 (XV of 1948) of loans and advances,—

(a) against securities of the Central Government or of any State Government, repayable on demand or on the expiry of fixed periods not exceeding ninety days from the date of such loan or advance ; or

(b) against securities of the Central Government or against bonds and debentures issued by the said Corporation and guaranteed by the Central Government maturing and repayable within a period not exceeding eighteen months from the date of such loan or advance :

Provided that the amount of loans and advances granted under clause (b) shall not at any time exceed three crores of rupees in the aggregate."

4. Amendment of section 24, Act II of 1934.—In section 24 of the principal Act, after the words 'one thousand rupees' the words 'five thousand rupees' shall be inserted.

5. Amendment of section 40, Act II of 1934.—In section 40 of the principal Act, after the words 'or Madras' the words 'or at such of its branches as the Central Government may, by order, determine' shall be inserted.

6. Amendment of section 42, Act II of 1934.—In section 42 of the principal Act,—

(a) in the *Explanation* to sub-section (1), after the words 'the Reserve Bank' the words 'or the Imperial Bank of India' shall be inserted ;

(b) in sub-section (2),—

(i) to clause (a), the words 'other than the Imperial Bank of India' shall be added ;

(ii) after clause (a), the following clause shall be inserted, namely:—

"(aa) the amount of its borrowings from the Imperial Bank of India, classifying them into demand and time liabilities ;";

(iii) in clause (g), after the words 'discounted in India' the words 'and foreign bills purchased and discounted' shall be inserted.

7. Insertion of new section 43A in Act II of 1934.—After section 43 of the principal Act, the following section shall be inserted, namely:—

"43A. *Protection of action taken in good faith.*—(1) No suit or other legal proceeding shall lie against the Bank or any of its officers for anything which is in good faith done or intended to be done in pursuance of section 42 or section 43.

(2) No suit or other legal proceeding shall lie against the Bank or any of its officers for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of section 42 or section 43."

8. Amendment of section 58, Act II of 1934.—In clause (h) of sub-section (2) of section 58 of the principal Act, the words 'to the Governor, or shall be omitted.

9. Ordinance III of 1946 not to apply to certain high denomination bank notes.—Nothing contained in the High Denomination Bank Notes (Demonetisation) Ordinance, 1946 (III of 1946) shall apply to any bank note of the denominational value of five hundred rupees, one thousand rupees or ten thousand rupees issued after the commencement of this Act, but no such bank note issued before the 18th day of January, 1946 shall be legal tender in payment or on account of the amount expressed therein at any place in India.

STATEMENT OF OBJECTS AND REASONS

For some time past there has been a persistent demand for extending the facilities provided by the Reserve Bank of India to meet the needs of rural credit. As a result of the examination of the various proposals in this behalf it is considered necessary to amend the Reserve Bank of India Act, 1934, for enlarging its scope with a view to enabling it to participate more effectively in financing the requirements of rural areas. The principal amendments to the Bill are intended to—

(1) widen the scope of the terms 'crops', 'agricultural operations' and 'marketing of crops' used in section 17(2)(b) of the Act, so that finance may also be made available for production and marketing of commodities such as gur, milk, cream, butter, ghee, etc., and also for processing of goods where such processing is a necessary preliminary to marketing, e.g. hulling of rice, ginning and pressing of cotton, etc.;

(2) provide accommodation to the State Co-operative Banks and State Financial Corporations for financing the production and marketing activities of cottage and small-scale industries, where the repayment of the principal and payment of interest is guaranteed by the State Government;

(3) enable the Bank to dispense medium-term credit for agricultural purposes for periods ranging more than 15 months but not exceeding 5 years.

As proposed in the Industrial Finance Corporation (Amendment) Bill, 1952, provision is also being made to enable the Bank to give short-term credit facilities to the Corporation. The Bill incorporates certain minor amendments found necessary as a result of the experience gained in the working of the Bank.

NEW DELHI;

C. D. DESHMUKH.

The 15th November, 1952

Notes on Clauses.

Clause 2.—The amendment is for clarification.

Clause 3.—The reasons for amending clause (2) of Section 17 of the Act have already been explained in the Statement of Objects and Reasons. The objective of inserting a new clause (4A) has also been explained therein. The new clause (4B) is intended for granting short-term financial accommodation to the Industrial Finance Corporation. This is necessary for the successful operation of the Corporation.

Clauses 4 and 9.—High denomination notes were demonetised in 1946 under the High Denomination Bank Notes (Demonetisation) Ordinance, 1946 (III of 1946). In view of the serious inconvenience caused to the public by the withdrawal of high denomination notes, it has been decided to re-introduce the notes as early as possible. New series of notes will now be issued and the intention is to issue Rs. 1,000, Rs. 5,000 and Rs. 10,000 denomination notes only. As issue of Rs. 5,000 denomination notes is not at present authorised under Section 24 of the Act, it is necessary to amend that section also in addition to the amendment of the above Ordinance.

Clause 5.—It will be made obligatory on the Bank to provide foreign exchange facilities at the prescribed rates and conditions at any of the branches of the Bank as may be determined by the Central Government.

Clause 6.—Borrowings from the Imperial Bank will have to be exhibited separately in the Weekly Returns of scheduled banks and such borrowings are to be excluded from their demand and time liabilities in India.

Clause 7.—This new section is being inserted on the lines of section 54 of the Banking Companies Act, 1949, to give protection to the bank against any suits or actions claiming damages.

Clause 8.—Since section 7(3) gives the Governor concurrent powers with the Central Board, it is no longer necessary to provide for delegation of powers to him under the Regulations.

M. N. KAUL,
Secretary.

